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August 8, 2013

Mr. Michael Robertson, P.E.  
Program Manager  
Gas Safety and Reliability Branch  
Consumer Protection and Safety Division  
California Public Utilities Commission  
320 W. Fourth Street, Suite 500  
Los Angeles, CA 90013

Dear Mr. Robertson:


The staff of Safety and Enforcement Division (SED), formerly called the Consumer Protection and Safety Division, of the California Public Utilities Commission conducted a General Order 112-E Comprehensive Operation and Maintenance audit of San Diego Gas & Electric (SDG&E) Company's Transmission and Distribution facilities on November 13-16, 2012. SED reviewed SDG&E's operation and maintenance records for the period of September 1, 2011 through November 16, 2012, and conducted field inspections of various gas operation and maintenance related activities in SDG&E's Northeast, North Coast and Beach Cities Districts. SED also reviewed SDG&E's Operator Qualification records, which included field observations of randomly selected individuals performing pressure limiting and regulation covered tasks.

In your letter dated July 10, 2013 and received electronically on July 10, 2013, SED staff noted two probable violations of Title 49 Code of Regulations (49 CFR), Part 192. In your letter, you requested written response within thirty days of our receipt indicating the measures taken by SDG&E to address probable violations.

SDG&E looks forward to working with you and your staff to address the audit probable violations and any concerns you may have.

Feel free to contact me at (213) 305-8660 if you have any questions or need additional information.

Sincerely,

  
W. Jeff Koskie

Attachment

cc: Matthewson Epuna, SED/GSRB–Los Angeles  
Joel Tran, SED/GSRB – Los Angeles  
Adriana Crasnean, SED/GSRB

Attachment 1  
Response to Audit Probable Violations

Audit Probable Violation A

- A. Reference Title 49, Code of Federal Regulations (CFR) §192.465 (a) Title 49 CFR

§ 192.465 External corrosion control: Monitoring states:

*"(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis...."*

SDG&E has been performing special GIS trace exercises of its cathodic protection system and validation of its pipeline maps. During this trace and validation exercise, SDG&E noted six sections of "Stranded Steel Pipeline" that were isolated from its cathodically protected pipeline system (see Isolated Segments of Steel Pipeline Table). SDG&E created these Stranded Steel pipelines when it replaced segments of its cathodically protected steel mains and service pipelines with Polyethylene (PE) pipes, which resulted in the isolation of the short segments of steel pipelines within a network of PE distribution mains and service pipelines. SDG&E installed these PE pipeline segments between 1975 and 1997.

SDG&E cathodically protected some of these isolated steel segments with magnesium anodes. However, SDG&E did not include these isolated steel segments in its cathodic protection pipe-to-soil inspection cycles it conducts annually. Therefore, SDG&E is in violation of G.O 112-E, Reference Title 49 CFR §192.465(a).

Response

After implementing our new GIS, the new database and technology facilitated a Cathodic Protection (CP) system-wide trace analysis of the entire steel system. SDG&E took advantage of this as soon as possible to locate pipe segments that may have a CP issue. Prior to GIS, this identification of potentially-stranded steel pipeline segments through a proactive self-audit would have been difficult, if not impossible.

SDG&E is committed to continuous improvement to maintain system integrity and achieve public and employee safety. SDG&E is aggressively continuing to utilize CP trace analysis to examine its steel system. While this effort is almost concluded, one additional stranded steel pipeline segment has been found and it is possible other segments may be found that could require remediation. Knowing that using this new technology and proactive self-audit could lead to self-discovery of a stranded segment, SDG&E's overarching objective is to find and correct any anomalies in the system to maintain system integrity and meet applicable compliance requirements.

In December, 2012, we identified an additional stranded segment located on Pine Needles Drive in Del Mar. The segment consists of 120 feet of 1½" steel main and one 140-foot long ¾" steel service. This system became isolated in 2000 when parts of the steel system were replaced with Polyethylene (PE) pipes. The area had been leak surveyed on its five-year cycle in July of 2012 with no leaks found. A Magnesium Anode Ground-Bed (MAG-Anode) and test point were installed, and the line is passing criteria. The area has been added to the annual inspection survey and included in the SAP maintenance management system. This segment was brought to attention of the auditor's attention during the first day of SDG&E's CPUC Pipeline Safety Audit in July, 2013, as a self-disclosure.

The Glen Ridge Road main segment was found to be under MAG-Anode protection and pipe-to-soil reads verify that it was meeting criteria. Also the area had been leak surveyed on its five-year cycle, most recently, in November of 2010, with no leaks found. Test points were established and the area was added to the annual inspection survey and included in the SAP maintenance management system in August of 2012.

The Lightwave Avenue & Ruffin Road main segment was leak surveyed on its five-year cycle in June, 2012, with no leaks found. MAG-Anodes and test points were installed June, 2012, and the line is currently passing criteria. The area was added to the annual inspection survey and included in the SAP maintenance management system in June, 2012.

The Camino De Reina & Camino De La Siesta isolated steel gas service segments were removed from service and replaced with PE pipe in April, 2013.

The Camino De Reina & Camino De La Siesta gas main segment and services were leak surveyed during its combined five-year cycle and annual business district survey with no leaks found. MAG-Anodes and test points were installed in September, 2012 and the segment is currently meeting criteria. The area was added to the annual inspection survey and included in the SAP maintenance management system.

The Eagle Street & University Avenue main segment was leak surveyed on a monthly basis with no leaks found until the gas main and services were removed from service and replaced with PE pipe in November, 2012.

The 1<sup>st</sup> Avenue & Broadway main segment was found to be under MAG-Anode protection and pipe-to-soil reads verified that it was meeting criteria. Also the area had been leak surveyed on its combined five-year cycle and annual business district survey prior to identification in March, 2012, with no leaks found. The test point was established and the area was added to the annual inspection survey and included in the SAP maintenance management system in October, 2012.

Knowing that using this new technology and proactive self-audit could lead to self-discovery of a stranded segment, SDG&E's overarching objective is to find and correct any anomalies in the system to maintain system integrity and meet applicable compliance requirements.

Location	Installation Date	Replacement Date	CP
Glen Ridge Rd, Escon	1958		Yes
Lightwave Ave & Ruffin Rd,KM	1963	1983	No
Camino De Reina & Camino De La Siesta, SD	1966	1997	No
Camino De Reina & Camino De La Siesta, SD	1966	1990	No
Eagle St & University Ave, SD	1962	1975	No
1st Ave & Broadway, SD		1992	Yes

Isolated Segments of Steel Pipeline Table  
As Provided in SDG&E CPUC Audit Findings Summary